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TRANSCRIPT OF RECORD

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Supreme Court of the United States

OCTOBER TERM, 1937

No. 42

JAMES D. SMYTH, EXECUTOR OF THE ESTATE OF JAMES F. RANSOM, DECEASED, PETITIONER,

vs.

THE UNITED STATES

ON WRIT OF CERTIORARI TO THE COURT OF CLAIMS

PETITION FOR CERTIORARI FILED MAY 7, 1937.

CERTIORARI GRANTED JUNE 1, 1937.

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1936

No. 960

JAMES D. SMYTH, EXECUTOR OF THE ESTATE OF JAMES F. RANSOM, DECEASED, PETITIONER,

vs.

THE UNITED STATES

ON PETITION FOR WRIT OF CERTIORARI TO THE COURT OF CLAIMS

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[fol. 1]

IN UNITED STATES COURT OF CLAIMS

No. 43234

JAMES D. SMYTH, Executor of the Estate of James J. Ransom, Deceased, Burlington, Iowa, Plaintiff,

vs.

THE UNITED STATES, Defendant

I. PETITION—Filed December 31, 1935

1. Plaintiff is a citizen of the United States, and a citizen and resident of the State of Iowa, and is the sole Executor of the Estate of James J. Ransom, Deceased, appointed by the District Court of Des Moines County, Iowa, and has duly qualified as such executor, and is now acting as such.

2. Plaintiff, as such Executor, is the owner, holder for value and bearer of an obligation of the United States of America, in principal amount of Ten Thousand Dollars ($10,000.00), known as First Liberty Loan 3½% Gold Bond of 1932-1947, Serial Number 6670, a copy of which is annexed hereto and made a part hereof, marked "Schedule A." Said bond is one of a series of 15/30 Year 3½% Gold Bonds, authorized by an Act of Congress approved April 24, 1917, and issued pursuant to Treasury Department Circular No. 78, dated May 14, 1917, a copy of relevant provisions of which is annexed hereto and made a part hereof, marked "Schedule B." By the terms of said bond, the defendant promised to pay to bearer on June 15, 1947, the principal sum of Ten Thousand Dollars in United States [fol. 2] gold coin of the standard of value on the date of issuance, June 15, 1917, and to pay interest on said principal sum in like gold coin at the rate of three and one-half per cent (3½%) per annum from the date of the bond, on December fifteenth and June fifteenth in each year, until the principal should be payable, upon presentation and surrender of the interest coupons as they severally mature.

3. Plaintiff is the owner, holder for value and bearer of an interest coupon, attached to said bond, a copy of which

is attached hereto and made a part hereof, marked "Schedule C," by the terms of which defendant promised to pay to bearer on December 15, 1935, the sum of One Hundred Seventy-Five Dollars ($175.00) in United States gold coin of the standard of value on the date of issuance, being six months' interest due December 15, 1935, on the bond hereinbefore referred to.

4. Under and pursuant to the laws of the United States, namely: an Act approved March 14, 1900 (31 Stat. 45), which was in force on June 15, 1917, at the time of the issuance of said bond, a dollar in gold consisted of twenty-five and eight-tenths (25-8/10) grains of gold, nine-tenths (9/10) fine.

5. The aforesaid bond and circular contained provisions that all or any of the bonds of its series might be redeemed at the pleasure of the United States on or after June 15, 1932, at par and accrued interest, in United States gold coin of the standard of value on the date of issuance, and that from the date of redemption designated interest on bonds called for redemption should cease. On March 14, 1935, Secretary of the Treasury of the defendant, by a public notice, a copy of which is hereto attached and made a part hereof, marked "Schedule D," purported on behalf of defendant to call for redemption on June 15, 1935, said issue of First Liberty Loan 3½% Gold Bonds of 1932-47.

[fol. 3] 6. On December 28, 1935, plaintiff duly presented said bond, together with interest coupon due December 15, 1935, and all subsequent interest coupons attached, to the Treasurer of the United States, Washington, D. C., in accordance with said Act of April 24, 1917, said Treasury Department Circular No. 78, and said public notice of March 14, 1935, as supplemented by Treasury Department Circular No. 535, a copy of the relevant provisions of which is hereto attached and made a part hereof, marked "Schedule E," and demanded redemption of said bond by the payment of ten thousand gold dollars, each containing twenty-five and eight-tenths grains of gold, nine-tenths fine. The defendant refused to redeem said bond in accordance with its terms, or in any manner except by the payment of ten thousand dollars in legal tender currency. Plaintiff thereupon refused to accept said currency, or permit the

redemption of said bond, and is still the owner, holder and bearer of said bond.

7. Thereafter, and on December 28, 1935, plaintiff duly presented to the defendant at the Treasury Department, Washington, D. C., the aforesaid interest coupon due December 15, 1935, in accordance with said Act of April 24, 1917, and said Treasury Department Circular No. 78, and demanded payment thereof in the sum of One Hundred-Seventy-Five Dollars ($175.00) either in gold coin or legal tender currency. Defendant thereupon refused payment of said coupon, on the ground that the bond to which it was attached had been previously called for redemption.

8. Plaintiff is informed and believes that defendant's refusal on December 28, 1935, to pay to plaintiff ten thousand gold dollars, each containing twenty-five and eight-tenths grains of gold, nine-tenths fine, as provided in said bond, was based on the ground that the Joint Resolution of the Seventy-Third Congress, approved June 5, 1933, (C. 48, 48 Stat. 112) nullified the provisions of said bond requiring [fol. 4] payment in gold. Plaintiff says that said Joint Resolution, insofar as it attempted to override the obligation created by the aforesaid bond and coupons, was beyond the power of Congress to adopt, and was unconstitutional and void, and violated the provisions of the Fifth Amendment, and of Section 4 of the Fourteenth Amendment, to the Constitution of the United States.

9. Plaintiff says that defendant had no right to call said bond for redemption except by public act of the Congress of the United States, that no such public act was passed by Congress, and that said bond is still unredeemed and in full force and effect.

10. Plaintiff says that neither on March 14, 1935, nor at any time subsequent thereto have United States notes been convertible into coin at the option of the holder, nor could United States bonds bearing a lower rate of interest than said bond of plaintiff have been sold at par in coin. Plaintiff therefore says defendant did not have, on March 14, 1935, nor at any subsequent time, the right to call said bond of plaintiff prior to maturity, and further says that said bond is still unredeemed and in full force and effect.